

Federal budget: progress on Indigenous issues and pay equity, but no movement on poverty

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OTTAWA – The government’s new budget commits \$5 billion over five years to address the challenges faced by Indigenous peoples in Canada and highlights some measures to support people in low income, but it fails to take bold steps towards eradicating poverty in Canada and achieving gender equality for women and girls.

Canada Without Poverty (CWP), a leading voice in the anti-poverty movement, welcomes the introduction of gender-based analysis for the 2018 budget – especially in light of the disproportionate experience of poverty by women in Canada, and federal leadership on the implementation of pay equity legislation for the federally regulated sector, which will impact 1.2 million people. However, with no mention of funding for the upcoming Canadian Poverty Reduction Strategy, the budget fails to provide urgent and necessary solutions for the 4.8 million people in Canada living in poverty.

A key piece of the government’s budget is the introduction of the Canada Workers Benefit (CWB), which will replace the Working Income Tax Benefit, a credit for working people who live in low-income. People receiving the CWB will see their benefits increase up to \$170 in 2019 as well as an increase to the income level at which the benefit is phased out completely.

“The enhancement of the former Working Income Tax Benefit, now the Canada Workers Benefit, will certainly improve the day-to-day lives of many workers who struggle to make ends meet or face precarious work circumstances,” said CWP Legal Education and Outreach Coordinator, Liz Majic. “However, we have to be clear that wage subsidies aren’t the long-term systemic solution to poverty – it is critical to have stronger legislation and a fully-funded comprehensive anti-poverty strategy to eradicate poverty as part of the 2030 Sustainable Development Goals.”

Although the budget emphasizes the importance of addressing the persistent gender wage gap, there was no commitment to a high-quality, universal, publicly-funded and managed early childhood education and care program. Instead, the government has allocated \$7.5 billion over 11 years to fund childcare agreements with the provinces and territories. The government also unveiled a “Use it or lose it” Parental Sharing Benefit that gives a conditional additional five weeks to a non-birthing parent at 55%, unlike Quebec which provides this leave at a higher rate at 70%.

Canada underwent a review under the *Convention on the Elimination of Discrimination Against Women (CEDAW)* in 2016, after which the United Nations Committee called for the government to develop a comprehensive national gender strategy, policy and action plan addressing the structural factors that cause persistent inequalities for women and girls in Canada. The United Nations called on Canada to create more opportunities for women to gain access to full-time employment by adopting a rights-based national childcare framework in order to provide sufficient and adequate childcare facilities.

“The glaring absence of a national childcare strategy in light of the recommendations from the *CEDAW* committee is incredibly disappointing. To truly meet its human rights obligations under international law, the government needs to be applying maximum available resources to realizing gender equality,” said Harriett McLachlan, CWP Deputy Director. “Additional leave is an improvement on the existing system, but it is not a stand-in for a program that addresses the intractable childcare costs families in Canada currently experience.”

“At the same time, we are pleased with the introduction of evidence-based disaggregated data to guide and inform social and economic policy and we hope this will strengthen federal anti-poverty policy which is sorely needed,” she continued.

The federal budget also included funding for an Advisory Council on Implementation of National Pharmacare, a program progressive organizations, including CWP, have long called for.

“One in ten people in Canada cannot afford their prescribed medications. While an advisory council on this policy area may be a step in the right direction, we already know it makes financial sense to invest in pharmacare and we need action, rather than more research,” said Ms. Majic.

Last November, the government launched the National Housing Strategy, recognizing the right to housing of all people in Canada for the first time – and committed a significant budget to the strategy. However, programs within the strategy like the Canada Housing Benefit, will not roll out until 2020.

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About Canada Without Poverty

Canada Without Poverty (CWP) is a non-partisan, not-for-profit, and charitable organization dedicated to ending poverty in Canada. The organization was created in 1971 as an outcome of the Poor People’s Conference, a national gathering of low-income individuals, under the name National Anti-Poverty Organization (NAPO). For over 40 years, CWP has been championing the rights of individuals experiencing poverty and marginalization through research, awareness-building campaigns, public policy development, and educational programming. See more at: www.cwp-csp.ca.

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